

Meeting of 2002-6-13 SPECIAL MEETING

MINUTES
SPECIAL CALLED MEETING
LAWTON CITY COUNCIL
JUNE 13, 2002 - 5:00 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBERS

Mayor Cecil E. Powell, Also Present:
Presiding Bill Baker, City Manager
 John Vincent, City Attorney
 Brenda Smith, City Clerk

The meeting was called to order at 5:04 p.m. by Mayor Powell. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT: *Randy Bass, Ward One
 Glenn Devine, Ward Three
 Amy Ewing-Holmstrom, Ward Four
 Robert Shanklin, Ward Five
 Barbara Moeller, Ward Six
 *Stanley Haywood, Ward Seven
 Michael Baxter, Ward Eight

ABSENT: James Hanna, Ward Two
*Bass entered at 5:30 p.m.

BUSINESS ITEMS:

3. Pursuant to Section 307B.2, Title 25, Oklahoma Statutes, consider convening in executive session to discuss negotiations for an Employment Agreement for FY 2002-2003 between IUPA, Local 24, and the City of Lawton, and take appropriate action in open session if necessary. Exhibits: None.

MOVED by Baxter, SECOND by Moeller, to convene in executive session as shown on the agenda in Item 3 and as recommended by the legal staff. AYE: Devine, Ewing-Holmstrom, Shanklin, Moeller, Haywood, Baxter. NAY: None. MOTION CARRIED.

The Mayor and Council convened in executive session at approximately 5:07 p.m. and reconvened in open session at approximately 5:30 p.m. with roll call reflecting all members present except Bass and Hanna.

Vincent reported the Council had convened in executive session as shown in Item 3 and as a result of discussion, staff recommends a motion that the Local's offer of June 12, 2002, be rejected and that the Chief Negotiator be authorized to make a counter offer.

MOVED by Baxter, SECOND by Devine, to approve the recommendation as stated by the City Attorney. AYE: Ewing-Holmstrom, Shanklin, Moeller, Haywood, Baxter, Bass, Devine. NAY: None. MOTION CARRIED. *Bass entered the meeting at this time.

1. Consider and discuss the proposed preliminary FY 2002-2003 City of Lawton Budget and take necessary actions to facilitate budget adoption. Exhibits: Budget distributed previously.

Mayor Powell said he hoped there would be no consideration of closing a fire station as was reported on the news last night.

Baker said he had received numerous suggestions from members of Council and others on ways to balance the budget. He formulated a recommendation which attempts to assimilate those recommendations and address those concerns which have been expressed and he would brief Council on his recommendation. He asked to read the memo to the Mayor and Council because he would like to make it a matter of record, and copies had been provided.

Baker's presentation is included verbatim as follows:

"My recommendation provides for the following: first, it eliminates the \$3,151,339 deficit and balances the budget. It provides funds in the amount of \$1.1 million for pay raises for all employee groups. It assumes the Council will approve a utility rate increase for water to \$2.10 per thousand gallons, that is on the agenda for consideration this evening. It provides for a revised carry over and lapse projections on my part. The preliminary budget that I originally submitted to you showed a projected carry over of \$1.5 million, I am willing to go farther out onto that limb and make that \$2 million and hope that I'm right. I'm also revising the salary lapse budget from \$500,000 to \$750,000 and as you know, those savings are realized as we have vacancies throughout the year. We used \$750,000 during the current year and we had to have a modified hiring freeze throughout the year and we think we're going to be real close to that \$750,000, but it's going to take a continued modified hiring freeze to get there next year.

In the memo that I gave you, I indicated that I was assuming additional revenue from Goodyear and Republic. At this time, based upon information that I have gotten this afternoon, I would recommend to you that you not, you not anticipate that \$350,000 to balance this budget. That is a change in the memo that I gave you earlier today. I don't think we should anticipate that additional revenue to balance the budget. That is not to say that we won't get additional revenues at some point in the future, but I don't think you want to balance the budget based on that assumption.

I have went back and cut various maintenance and operation accounts by \$295,036. What this means is that department directors, managers and supervisors at all levels are going to have to manage their budget very, very tightly next year to come in under that budget. Keep in mind I had already cut these maintenance and operation accounts substantially already.

I reduced overtime across the board by 10%, which is \$113,470. Again, it's going to take some good management to make sure that we don't spend more than we have appropriated. We're going to have to watch, to tighten up on overtime.

I reduced part time at the Library by \$25,000. I visited with Mrs. Donaldson yesterday and I was prepared to eliminate one of her permanent positions and she asked that I not do that and take \$25,000 of her part time in lieu of that.

This recommendation includes eliminating ten additional employees, and I'd like to note that out of those ten, there are only two that are currently vacant, so we're looking at possible layoffs, probable layoffs. Keep in mind this ten positions, or these ten positions are in addition to the positions that I had originally recommended in the preliminary budget and I believe that number was 23.

I'm recommending that we move some capital outlay around from the police department to some other departments, \$207,000. The recommendation provides funds for Emergency Management Coordinator that you talked about at your last meeting. It provides for reorganization of the Community Services Department that we talked about.

The recommendation assumes that once per week residential refuse collection service would be implemented October 1, 2002. If Council chooses to retain twice per week service, a possible way to fund this is to add \$1 per month on the refuse bill. This will generate approximately \$400,000 and allow for continuation of the service and also purchase of at least one refuse packer truck. Also, if twice a week service is retained, ten employees that are scheduled for layoff in Solid Waste Collection would retain their jobs. Regardless of Council's decision in this regard, staff will continue to look at a bag system so that customers with numerous bags of yard waste would pay additional for this service and we'll also continue to pursue a pilot program for a semi-mechanized or a mechanized residential refuse collection system. Council seems to be interested in that and we will continue to work on it and look at it.

I want to comment on one other matter. Like the Mayor, I watched the ten o'clock news last night and there was talk about a fire station being closed and I think that really gets the citizens excited when they hear something like that, it gets them very concerned. I just want to make it a matter of record that I have not and I do not now recommend closure of a fire station or closure of the branch library, and I don't recommend elimination of police officers. I probably got more calls on closure of the branch library than I did the fire station. The library has quite a constituency.

In order to comply with Council's directive that I identify \$3 million cuts in the personal services accounts, I listed some of these things as alternatives as the only means to cut that many employees and that amount of money from the budget. I simply listed those as possible alternatives to cut that \$3 million. I did not and do not recommend those cuts, so I wanted to make that clear because some people, I've had numerous calls from citizens saying why in the world would I recommend closing a fire station. Well, I don't recommend that and I have never recommended that, nor has the Council recommended that to my knowledge.

This has been a very difficult budget to adopt and I appreciate the Council's patience and their perseverance. I and

the staff are available to assist you in any other ways possible to finalize and adopt the FY 2002-2003 budget. "

Baker went over the memo attachments, stating on page one, the preliminary budget had a deficit of \$2,920,000. Council held three sessions and \$231,339 was added to the budget. As of June 4, the deficit is \$3,151,339. Page two contains items recommended to address the deficit; first is the committee's recommendation of the \$2.10 per thousand gallons which should generate \$1,350,000. The carry over and lapse were revised to provide additional resources of \$750,000. The additional revenue shown from Goodyear, Fort Sill and Republic is deleted and cannot be anticipated to balance next year's budget.

Baker said those actions leave a deficit of \$701,000 and suggestions to address it are: reduce the Mayor and Council's economic development fund to \$50,000, which will cover the contract with Cameron University and that is the only recurring obligation from that account; reduce Council Contingency by 50% and that is \$50,000; reduce the Mayor/Council travel by \$10,000 which will not allow for attendance at the National League of Cities conference. He said \$50,000 was added for the Lakes and it is taken out here but added back at a later point. Training and travel was cut an additional 10% which is \$22,000; reduce Account 201 by \$80,000; reduce petroleum by 5%, which is \$31,819.

Baker said deletion of the following additional positions was recommended to address the deficit: a buyer in financial services; the director of building development, and that is part of the proposed reorganization at \$61,000; a kennel assistant in animal welfare at \$18,019; a computer operator in MIS at \$26,815; a chemist at the wastewater treatment plant at \$32,202; a utility worker/laborer in water distribution at \$22,000; the auditing director; an admin secretary in planning, a police clerk in the police department, a recreation supervisor in sports and aquatics, and the part-time for the Library. These total adjustments brought a budget surplus of \$61,000.

Baker said page three indicates transfer of capital outlay funds, which is a neutral type of change taking \$200,000 from the Police Department and giving it to other departments; this does not have an impact on the deficit. \$30,000 was taken from the contract with the County for Emergency Management and it will be used to hire an Emergency Management Coordinator, and hopefully the state will provide an additional \$15,000. As part of the reorganization of the Community Services Department, it is proposed that Building Development be separated into two divisions, each with supervisors, and that is an additional cost of \$7,000 for those two. The remaining surplus is \$54,943, but that includes the additional revenue from Goodyear and Republic, so \$300,000 is needed to balance the budget.

Baker said he requested impact statements from the departments regarding deletion of positions and agreed to provide them for Council review, and the directors do not necessarily want to lose the positions or agree with it. He distributed information for Council's review.

Ewing-Holmstrom said the fire station closure was in her ward and all the residents called her house today so the City Manager did not receive the calls.

Baker said one of the positions recommended for deletion is a department director who is not here to defend that position and a member of his staff is here and wrote the memo being distributed. This concluded Baker's presentation from the podium.

Shanklin asked how it got out that a fire station would be closed and police officers would be laid off. Baker said he was directed to identify \$1.5 million from Account 101 and \$1.5 million from the other personal services accounts, and he did that, sent it to Council, and that became public information. He said part of that memo contained a possible closure of a fire station and changing the shifts at the police department and eliminating 18 positions. Baker said he thought he made it clear in the memo that those were not recommendations, he was simply identifying the \$3 million Council requested.

Ewing-Holmstrom said the \$1 on the utility bill would generate \$400,000 and allow for continuation of service and the purchase of one refuse packer truck. She said that is the exact same number the City is writing off for vacancies, so could we get rid of the vacancies and not have that problem. Baker said that is a possibility and he asked the Finance Director to look at the whole vacancy policy and let him know how much money could be generated by changing that policy and asked for his recommendation no later than August 1. Baker said there are a lot of factors to consider in that change, and the revenue could be \$350,000 to \$400,000, but he preferred to study it and bring back a recommendation instead of doing that now to balance the budget.

Ewing-Holmstrom asked what are the highest usage months of the year. Steve Livingston, Finance Director, said it is usually August and September, and some times July, but it is dependent on the rain. Livingston said the money is collected the following month because customers have 20 days to pay their bill so the income is different from the actual volume.

Moeller asked if the kennel worker position would be funded and retained through October 1. Baker said yes, all of the numbers provided on the positions, unless they are vacant, that number represents 75% of the cost because he assumed we would have to pay that for 90 days. Moeller said the supervisor was willing to give up another item of

capital outlay to keep the position and it was important to keep that position, so maybe funds could be found by October 1 to keep the position. Baker said he believed that position was vacant.

Moeller said the hotel/motel tax has an excess collection and there is a possibility we could cover the \$55,000 for the museum since they draw 80% of their attendance from tourists who are from out of state, out of Lawton, and out of country. She said if they would take the excess from the amount received over \$400,000 to cover that \$55,000, it would free those funds up to support the budget. Baker said hotel/motel tax collection is estimated at \$452,000; the contract with the Lawton Chamber of Commerce and Industry is for \$400,000. He said as long as the funds are used for economic development or tourism, it can be used for the Museum.

Bass asked how many of the 30 jobs to be eliminated are vacant. Baker said out of the ten identified this evening, two are vacant, the kennel assistant and the utility worker/laborer; of the original positions recommended for deletion, the following are vacant: assistant parks and recreation director; mechanic; planner; kennel assistant; traffic engineer; deputy court clerk, and office supervisor. The recreation supervisor in senior services is not vacant but is a known loss, she advised she will be leaving. Five of the ten sanitation worker positions are vacant. Baker said 14 positions are now vacant.

Baxter said he liked the idea of moving the money for the Museum but wanted the City Attorney to say if that was legal. Vincent said based on the numbers showing 80% are tourists coming into the community, he would think that would meet the tourism requirement.

Haywood asked if it would balance the budget if no raises were given to any of the employee groups. Baker said yes, it would eliminate \$1.1 million. Haywood asked if everyone would be able to keep their jobs. Baker said if Council adopts the \$2.10 utility rate, that would balance the budget. Mayor Powell said the proposal from the City Manager includes giving increases to fire, police and general employees as has been stated throughout the budget workshops; with these positions being deleted and the other changes and the \$2.10 increase in utilities, it would be a balanced budget. Mayor Powell said the budget is for once a week pick up and if you go to twice a week, you add \$1.

Haywood asked if all of the positions shown for deletion could be retained if no pay raises are given. Baker said the ten positions identified tonight are \$763,000, so it would be right at it, if you retain those positions and do not give pay raises, you would be just about right at it.

Moeller asked if twice a week garbage pick up is funded through October. Baker said yes. Moeller said Council would have the opportunity to adjust the budget after it is adopted, so the \$1 could be added later to continue twice a week pick up. Baker said if the \$1 is not added until October, one-fourth of the revenue would be lost, and collections would be \$300,000 instead of \$400,000.

Haywood asked if the employees being deleted would lose their jobs in July or in October. Baker said the employee would be given an option of leaving July 1 and being paid for 90 days, the same as severance pay, or they could stay in the job for that 90 day period and receive their pay; it would be their option. Haywood said if they do not get another job, they would be gone October 1. Baker said if the employee elects to work that 90 days, it would count as three months toward their retirement; if they elect to take the severance pay and leave July 1, that three months would not count toward their retirement.

Moeller said for the record, everyone in her ward that contacted her was for the twice a week pick up and half of them said they would not object to \$1 if that is what it took to keep it. She said based on that input and the information provided, she would advocate for twice a week pick up.

Mayor Powell said he felt three things were critical to Council's decision making process, and asked for a decision on whether or not to accept the proposal, with the exception of the \$350,000. Bass asked if the budget was \$350,000 short. Mayor Powell asked if Baker had identified that and Baker said not yet. Baker said the proposal had an extra \$50,000 and a portion of the hotel/motel tax being used for the museum causes a need for \$250,000 to balance the budget.

Devine said his concern about going to once a week trash pick up was the amount of trash that would be involved; someone will have to figure out a system to contain all of that trash since it will be picked up only once a week. Baxter said the department director recommended once a week pick up and one reason was so in the future they could get semi-automated trash service and not have so many employees working there. Shanklin said we are trying to eliminate 40% of our waste stream six months out of the year, that being grass, trying to keep it out of the landfill; we are not being responsible to the taxpayers by filling the landfill up with grass.

Shanklin said he did not like pulling police cars because they have had a few wrecks that maybe are excessive. Baxter said it does not send a good message to the citizens to allow the department to wreck 12 police cars in one year and we say, okay, taxpayers, you are going to cough up six brand new ones the next year; they need to learn

to drive and do so responsibly.

MOVED by Shanklin, SECOND by Bass, that those six cars be put back into the police department.

Shanklin said the police are trying to protect people's lives, they are chasing people down and for us not to give them something to work with is not being smart. Mayor Powell asked if the motion was to buy the police cars and not buy the other capital outlay items shown and Shanklin said yes.

VOTE ON MOTION: AYE: Shanklin, Haywood, Bass, Ewing-Holmstrom. NAY: Moeller, Baxter, Devine. MOTION CARRIED. (*Note: Haywood, Devine and Ewing-Holmstrom passed on initial roll call.)

Mayor Powell said there are two questions that need to be voted on for clarification, one being pay raises across the board, pay raises to nobody, or pay raises for some, and a decision is needed. Devine said the City is under the contract with the firefighters and needed to honor their contract, and if we are going to give one group a pay raise, we need to give it to everybody.

MOVED by Devine, SECOND by Baxter, that if we are going to give one group a pay raise, we give it to everybody.

SUBSTITUTE MOTION by Shanklin, that we deny any pay raises, we keep longevity, the lead man, sick pay in lieu of, and put this on freeze.

Shanklin said the Lawton Public Schools had done this and their budget is much greater than ours; they recognize the fact that all over the State and probably the nation that everyone is in a little bit of a crunch since 9/11 but not Lawton, not this wealthy city, and he was being a little facetious but Lawton is probably on the very bottom of any city near our size in per capita income. Shanklin said it scares him to let the taxpayer know that if they give a pay raise that we are giving 42% in five years to the police, 39.5% in five years to the fire department, and 29% to the general employees, which may not be enough, but for us to do that, we are telling everyone in town and on fixed income that we could care less about them. He said we should let it slide for a year and that he told Bass last night that we would not generate the money from those water contracts and it is not over yet.

Vincent asked if the motion was to freeze step increases also. Shanklin asked if Vincent was referring to longevity. Vincent said no, he was talking about step increases. Shanklin said he would have to freeze all of them, and asked if the \$1.1 million included the step increases. Vincent said no. Shanklin said we will give step increases, longevity, sick leave and lead man, and this is only about the pay raise itself.

Haywood asked for clarification. Shanklin asked if Haywood wanted all of the positions deleted before tonight to be restored. Mayor Powell asked if that was part of Shanklin's substitute motion and Shanklin said yes.

SECOND by Haywood to Shanklin's Substitute Motion shown above.

Mayor Powell said the motion will be to deny any pay increases and that those people who have been identified to be eliminated would be put back on. Shanklin said yes, all of them. Baker asked if that included sanitation workers and operators. Haywood said yes. Shanklin said no, this is passing the budget as far as the pay raise and we are not talking about the rest of it. Bass asked why they were voting on this when they did not even have a balanced budget. Mayor Powell said they were trying to arrive at the budget. Bass said he would offer a motion to deny the budget since it is not balanced. Shanklin said they are just voting on whether they will give a pay raise across the board or not. Bass asked how you know if you can do that until you balance the budget; you do not even know where that other \$200,000 is going to come from or how many other jobs it will take to get there. Shanklin said the water rate increases and freezing all pay almost balances it. Baker said he would have to run the numbers but he thought it would.

Devine said last year or the year before we honored the contract with the firefighters and then rescinded or denied it and the cost was half a million dollars. He asked how much it would cost this time when we deny the contract we have with them again; that was his whole question, how much will that cost since it cost a half a million dollars last time.

VOTE ON SUBSTITUTE MOTION: AYE: Haywood, Shanklin. NAY: Moeller, Baxter, Devine, Ewing-Holmstrom. ABSTAIN: Bass. SUBSTITUTE MOTION FAILED.

Mayor Powell asked for consideration of the original motion by Devine, and said it would be for the across the board pay increases that have been talked about during this process, 4/3/3. Vincent said 4%, 3% and a negotiation.

Ewing-Holmstrom asked the City Manager to explain sick leave in lieu pay, longevity, and COLA. Baker said sick leave pay in lieu is provided in the City Code, Chapter 17, and there are different accrual rates for different employee groups so he would refer to general employees as an example. General employees accumulate 96 hours, or 12 days, of sick leave per year; once they have been with the City for six years, if they have not used any sick

leave, they will have accumulated 576 hours, and will receive a payment at their hourly rate times the number of sick leave hours in excess of 576, so if they went another year without using sick leave after the first six years, then they could get paid for 96 hours times their hourly rate. He said it is a benefit to employees, it had been on the books as long as he could remember, and it was intended to recognize and reward employees who do not take sick leave so they are on the job and are productive; it minimizes overtime, especially in fire and police when an individual uses sick leave, someone has to be called in on overtime, so the City realizes some dividends or benefits from payment for that sick leave; it helps control overtime and provides more productive hours.

Bass asked how much the cost is for the sick leave. Ewing-Holmstrom asked how much the cost was for overtime last year and for the coming year. Baker said this year we expect to spend \$516,000 for sick leave in lieu, and next year it is projected to cost \$558,000. Baker said those figures also include payment for sick leave for those leaving City employment, which is determined by a formula. Overtime cost this year is \$1,163,000, and \$1,134,000 next year. Longevity cost is \$1,008,000 next year. Longevity is a payment based on years of service; after four years, an employee begins accruing longevity benefits and payments are made twice a year based on a formula in the Code. This benefit has been offered for at least 25 years and its original intent was to recognize employees for their experience and seniority, and try to retain those employees. When this started, the pay plan had five steps so employees were at the maximum step in four years; there are now 17 steps in the pay plan.

Devine asked what would be the difference in overtime if the sick leave were taken away. Baker said he thought it would be substantial because employees would have more of a tendency to call in sick if they knew they would not be compensated for those hours. Mayor Powell said some of the overtime is built in and you cannot do one thing about it, and if you cut employees, it means overtime will go higher.

Shanklin said Baker took 10% out of overtime. He said if we give 4% to fire, 3% to police and 3% to general employees, is that not 10% regardless of the amount of wages. Baker asked Livingston to explain. Livingston said the scenario that was put to him was that if we added the 3% for general employees, the 3% that was proposed for police, and the 4% for fire that it would somehow add up to 10% of the salaries, and you really do not add percentages together like that because because the 3% of police would apply only to their portion, and the same with the other two groups. Livingston said the actual percentage increase of the total salaries would be somewhere in the neighborhood of 3.25%, which is the average of those percentages and should be a weighted average, but if you add percentages together and multiply that times the total number, it would be a little bit misleading.

Mayor Powell said the passage of the pay increases would be contingent upon addendum items one and two, and with the exception of the wording about Fort Sill, Goodyear and Republic. Mayor Powell said the original motion is to give across the board raises as has been discussed, 4% for fire, 3% for general, and a proposed to be negotiated 3% for police.

VOTE ON ORIGINAL MOTION: AYE: Baxter, Devine, Shanklin, Moeller. NAY: None. ABSTAIN: Haywood, Bass, Ewing-Holmstrom. MOTION CARRIED.

Shanklin asked if Mr. Hanna would get to bring this back up if he so desires. Vincent said if his vote would change it, yes, but if it would create a four-four tie then the Mayor may vote, although he is not required to, depending on his choice.

Mayor Powell said the third item that needed a decision is whether to have once per week refuse collection as shown in the budget, or to continue with twice a week collection by adding \$1 to the utility bill. Discussion was held on the additional amount needed to balance the budget and keep twice a week refuse collection. Shanklin said 40% of the waste stream for half the year is grass clippings; there is an inequity between those who put out 40 or 50 bags and those who put out very little. He said the Code says you get three 20-gallon cans of trash twice a week picked up; it has been abused, we have allowed it to happen and we are trying to rectify it. Moeller said staff is looking at that issue.

MOVED by Moeller, to add the \$1 to cover the second pick up of trash per week and continue to look at an extra charge for beyond a minimum number of bags and to bring it back within a reasonable time.

Devine said that would not balance the budget. Shanklin said put \$3 on it, and it will be the kiss of death. Moeller said her motion dealt with trash pick up. Devine said if you are going to do it, you might as well bite the bullet and balance it.

Baker said the reserve amount being projected could be adjusted and if the carry over somehow or another materializes, then it would go back into that reserve at the end of the year, but that would be projecting a reserve at the end of the next fiscal year of about \$250,000, and that is getting pretty low.

MOTION DIED FOR LACK OF SECOND.

MOVED by Baxter, SECOND by Shanklin, to keep refuse collection at once a week and do not put any more dollars on my

utility bill. AYE: Baxter, Bass. NAY: Devine, Ewing-Holmstrom, Moeller. ABSTAIN: Shanklin, Haywood. MOTION FAILED.

MOVED by Devine, to try one more time to go back and bring the same suggestion that Bob made, have Mr. Baker look at that, and the same suggestion that he (Devine) made and look at the two and bring us a budget for both of those and see how it works out, and maybe we can arrive at a balanced budget at that point.

Baker said he wanted to be sure he understood the two proposals. Devine said his proposal is what it says with the exception that we give a pay raise across the board, and he got lost on Bob's. Mayor Powell said that motion already passed. Devine said he understood but would still like to see both sides of it brought back. Baxter said he thought they were talking about refuse collection. Devine said he would withdraw it.

The Mayor and Council recessed at 6:50 p.m. upon motion, second and roll call vote, and reconvened at 7:05 p.m. with all present upon roll call except Hanna.

MOVED by Ewing-Holmstrom. SECOND by Baxter, to re-consider returning the six police cars to the budget.

Discussion resumed on this issue with regard to number of wrecks, need to respond to emergencies, etc.

VOTE ON MOTION: AYE: Devine, Ewing-Holmstrom, Baxter. NAY: Shanklin, Moeller, Haywood, Bass. MOTION FAILED.

Shanklin said the Parks & Recreation Director identified funding in his department's budget to allow retention of the recreation supervisor because he knows he has to have it, and if he feels that strong about it and what he thought of Mr. Shahan, he would have to support that and asked Council to approve keeping the recreation supervisor for that \$32,000 while he gives up \$33,200 in the other accounts and that is motion. Haywood seconded.

MOVED by Shanklin. SECOND by Haywood, to retain the recreation supervisor position and accept the reductions in the Parks & Recreation Department budget as recommended by Shahan. AYE: Ewing-Holmstrom, Shanklin, Moeller, Haywood, Baxter, Bass, Devine. NAY: None. MOTION CARRIED. (*Note: Ewing-Holmstrom and Baxter passed on initial roll call.)

MOVED by Devine, to add \$1 to the utility collections and Baker can come up with \$165,000 so we can have twice a week pick up.

Devine asked Baker if that was correct. Baker said if the Council directed him to find another \$165,000 to balance the budget, he would do so and bring it back, although he was not sure where he would get it. Mayor Powell said \$1.50 would balance the budget. Shanklin said we now pay \$9.60 for solid waste pick up which \$1.20 per day that we pick it up and it will go to \$1.33 at a \$1 increase, or thirteen cents more each time they pick it up. Baxter said he understood many wanted the twice a week pick up and if so, they should do it so it will balance the budget tonight, instead of putting it back on the City Manager to find \$165,000.

MOVED by Devine, to move it to \$1.50 and balance it.

Moeller said if other revenue comes in, this could be reduced back down. Devine said yes, and he would add that to his motion. Moeller said she would second the motion with that stipulation and that we do not forget to look at that and do it. Baker said that is correct but a major factor is what the carry over actually materializes at and we will not know that until mid-September. Shanklin said at the same time we will be working on the cost of bags to put out. Mayor Powell said Ihler suggested eliminating the one packer truck and that change should be made.

Ewing-Holmstrom said most of the City employees felt they were going to balance the budget on their backs but it was her understanding that they would increase the refuse service cost which would shift the cost to the backs of every citizen by \$1.50 so the citizens are balancing the budget.

Mayor Powell said vacancies will be looked at, as well as garbage bags for in excess of three 20-gallon containers, and other things will be brought back. Baxter asked why they needed to wait to get a number on the vacancies. Baker said the Finance Director told him he had estimated it was \$350,000 to \$400,000 but time is needed to determine how to do that and consider all the ramifications; many citizens have multi-family units and this will have a tremendous impact. Shanklin said he was in that, and you have trailer parks with one meter for 100 spaces but only 50 of them filled, and that would not be fair and that is just one example. Shanklin said Council has not received all of the complaints as a result of the water increases yet. He suggested those with 100 units be charged for 80, whether 60 are filled or all 100, and that would eliminate paperwork in the water department.

SUBSTITUTE MOTION by Baxter. SECOND by Ewing-Holmstrom, that we implement a vacancy procedure now and raise \$315,000 to allow us to have twice a week trash service and raise the money by using the vacancy situation in the water department instead of putting \$1.50 more on everybody's utility bills.

Mayor Powell asked if this will create \$315,000. Livingston said they are pulling the numbers off of the vacancy adjustments, it is putting us on the spot to say what the number would be and we are dealing with an estimate and

a real big issue. Moeller asked how long it would take to get good figures and a report. Shanklin asked if we are going to do this tonight. Mayor Powell said he would remind everyone that what has been said, these things come back that Council has asked for and Council has the ability to apply that, for example, there is a motion for \$1.50 and should this come to pass, the exact figures will be brought, and other on-going studies will continue. Baxter said he would withdraw his substitute motion. Mayor Powell asked for roll call on the motion for \$1.50 to continue twice a week service.

VOTE ON MOTION: AYE: Devine, Moeller. NAY: Ewing-Holmstrom, Shanklin, Haywood, Baxter, Bass. MOTION FAILED. (*Note: Baxter passed on initial roll call. Shanklin initially voted yes and then changed his vote to no after further explanation.)

Mayor Powell said decisions need to be made and this is not a popularity contest.

Moeller asked if they lack \$240,000. Baker said we are \$240,000 down and retaining once a week service. Moeller said she would like to make a motion to retain twice a week service, and add seventy-five cents, which would cover it without buying the packer truck. Shanklin said \$1 only adds thirteen cents more per pick up. Moeller said she had already made that motion once.

MOVED by Moeller. SECOND by Devine, to add \$1 to refuse collection for the second week of pick up for the citizens and do not buy the packer truck.

Discussion was held on how much would be needed to balance the budget.

VOTE ON MOTION: AYE: Moeller, Devine. NAY: Ewing-Holmstrom, Shanklin, Baxter, Bass. ABSTAIN: Haywood. MOTION FAILED. (*Note: Haywood passed on initial roll call.)

Shanklin said he did not think that even staff knows where we are at this point in time, and we have plenty of time to get the budget balanced and he did not know how. He said those wanting to give pay raises should be the ones to vote to raise the money to balance the budget. Baxter said Shanklin voted to give those people a pay raise. Shanklin said he did not and Baxter disagreed.

ADDENDUM:

1. Consider a resolution adopting the Volume Charges in Table 17 of the Black & Veatch Corporation's Report on Revenue Requirements, Cost of Service and Rates for Water Service, and recommend adoption by the Lawton Water Authority. Exhibits: Resolution No. 02-99.

Mayor Powell said this will be with the exception of Fort Sill, Goodyear and Republic Paper.

Ewing-Holmstrom said the committee recommendation was to look at a \$2.10 increase for all groups inside and outside the City, except Goodyear, Republic and Fort Sill. She said it is a \$2.10 flat rate which will bring us to cost according to the Black & Veatch study. She asked that Vincent explain why it has to be \$2.10 inside and out and the legal ramifications.

Vincent said the Black & Veatch study on page 41 established cost ratios for the various levels of service, and for us to be legal based on legal opinions that were issued over the last several months on other issues involving costs, we cannot charge less than cost. He said the cost for doing business with residential customers inside the City limits was set at \$2.10 per thousand gallons, and for government institutions within the City limits the \$2.10 and various other costs below that for the other users of water within the City limits, excluding Fort Sill, Goodyear and Republic, there are cost numbers there but we are required by Code to negotiate with those people before we set a rate. Vincent said the committee decided that it would be more equitable to all customers within and without the City to pay the same amount of money based on the \$2.10 cost.

Ewing-Holmstrom said they could not raise the outside people to cost if the inside customers were not raised to cost. Vincent said nobody could be below the cost, and the highest cost user was the residential customer in the City limits based on the cost study at \$2.10 per thousand, so the committee's proposal is to go to \$2.10 as a uniform rate per thousand, and the next item discusses it also, but this item only calls for the cost study to be adopted except for Goodyear, Fort Sill and Republic.

Baxter asked if there was anything in the Black & Veatch report that says we cannot make a profit. Vincent said no, in fact, Table 17 on Page 41 is a cost number and they recommend higher numbers than that. Baxter asked if it was true that right now we pay \$7.49 for the first two thousand gallons and then \$1.77 for three thousand to whatever is next, and if most residential customers fall between that first break after the \$7.49. Livingston said the average residential customer uses 8,000 gallons. Baxter said if you go from the \$1.77 to the \$2.10, that is thirty-three cents and it raised \$1.35 million. Baxter said he would move to go from \$1.77 on that second half up to \$2.25 and that would balance the budget. Mayor Powell said the motion now needs to be to adopt the study.

MOVED by Shanklin, SECOND by Haywood, to adopt the study.

Shanklin said it took 16 months to get the study, and they realized it was necessary to get equity as far as what people outside the City were paying, but we blew it all here tonight and whatever was approved for the budget was spent and next year you will have to raise it again.

Mayor Powell said this will be Resolution No. 02-99. Bass asked if it did not include Fort Sill, Goodyear or Republic and Mayor Powell said they are not a part of this and this is to adopt the study.

VOTE ON MOTION: AYE: Shanklin, Moeller, Haywood, Baxter, Bass, Devine, Ewing-Holmstrom. NAY: None.
MOTION CARRIED.

(Title) Resolution No. 02-99

A resolution adopting the Schedule of Volume Charges contained in Table 17, Cost of Service Water Rates in the Report on Revenue Requirements, Cost of Service, and Rates for Water Service by the Black & Veatch Corporation.

2. Consider a resolution amending Appendix A, Schedule of Fees and Charges, Lawton City Code, 1995, as amended, increasing the rate for Water Service and establishing an effective date and recommend adoption of these amendments and effective date by the Lawton Water Authority. Exhibits: Resolution No. 02-100.

MOVED by Shanklin, SECOND by Ewing-Holmstrom, to adopt Resolution 02-100.

Vincent asked if Shanklin's motion was to adopt the recommendation of \$2.10 and Shanklin said yes.

Baxter said the committee recommended on average a thirty-three cent increase per thousand gallons of water after 2,000 gallons up to 20,000 gallons. He said he was trying to recommend that the thirty-three cents be instead fifty cents, and that will raise the rate from \$2.10 to \$2.25, and it is only seventeen more cents and it would balance the budget.

SUBSTITUTE MOTION by Baxter, to change the rate to \$2.25 instead of \$2.10.

Mayor Powell asked if someone could respond as to how much that would generate. Baker asked Livingston. Baxter said it is half a million dollars. Livingston said he had not calculated it. Shanklin and Baxter discussed calculations. Livingston said it may be in the neighborhood of \$360,000 to \$400,000. Shanklin asked if it would be raised outside the City limits the same way. Baxter said yes, across the board. Mayor Powell asked if there was a second to the substitute motion and there was not. He asked for roll call on the motion to approve the rate as presented by the water study committee.

VOTE ON MOTION: AYE: Moeller, Baxter, Bass, Ewing-Holmstrom, Shanklin. NAY: Devine. ABSTAIN: Haywood.
MOTION CARRIED.

(Title) Resolution No. 02-100

A resolution amending Appendix A, Schedule of Fees and Charges, Lawton City Code, 1995, as amended, increasing the rate for water service and establishing an effective date and recommend adoption of these amendments and effective date by the Lawton Water Authority.

Mayor Powell said he would like to be able to do Item 3 now but we cannot get there. Shanklin suggested the Council meet tomorrow and Mayor Powell said he could not attend. This meeting will be recessed until 8 a.m. Monday morning and staff will bring revised figures to be able to adopt the budget.

2. Pursuant to Section 307B.4, Title 25, Oklahoma Statutes, consider convening in executive session to discuss the pending litigation of MJK CLEARING, INC. in U.S. District Court for the District of Minnesota, regarding the City of Lawton, and if necessary, take appropriate action in open session. Exhibits: None.

MOVED by Baxter, SECOND by Haywood, to convene in executive session as shown on the agenda and as recommended by the legal staff. AYE: Haywood, Baxter, Bass, Devine, Ewing-Holmstrom, Shanklin, Moeller. NAY: None. MOTION CARRIED.

The Mayor and Council convened in executive session at approximately 7:45 p.m. and reconvened in open session at approximately 8:00 p.m. with roll call reflecting all members present except Hanna.

Vincent said pursuant to Section 307B.4, Title 25, we went into executive session to discuss pending litigation involving MJK CLEARING, INC. in the United States District Court for the District of Minnesota and it is involving the City of Lawton. He requested a motion to approve the retainer agreement for professional services with Lester, Loving and Davies, an Oklahoma City law firm.

MOVED by Shanklin, SECOND by Baxter, to approve the retainer agreement for professional services with Lester, Loving and Davies. AYE: Shanklin, Moeller, Haywood, Baxter, Bass, Devine, Ewing-Holmstrom. NAY: None. MOTION CARRIED.

Baker said as a companion item, he requested Council authorize him to retain the services of Frank Crawford, he is a finance expert in this state, has done a lot of work with municipalities and ask him to look into whether or not we are following all proper procedures on different investments the City makes.

MOVED by Baxter, SECOND by Moeller, to approve the request as stated by the City Manager. AYE: Moeller, Haywood, Baxter, Bass, Devine, Ewing-Holmstrom, Shanklin. NAY: None. MOTION CARRIED.

Haywood said he would like to go back to the second trash pick up. He said he represents one of the poorest areas in town, as well as some with high income, but we want to keep a clean city and his constituents want twice a week pick up.

MOVED by Haywood, SECOND by Moeller, that we, on the recommendation of the City Manager, that we add a \$1 charge for the second pick up, which is only thirteen cents, so every pick up instead of being \$1.20 will be \$1.33.

Mayor Powell suggested a motion to reconsider would be appropriate before the motion on the floor is considered.

MOVED by Haywood, SECOND by Moeller, to reconsider. AYE: Haywood, Devine, Moeller. NAY: Bass, Ewing-Holmstrom, Shanklin. ABSTAIN: Baxter. MOTION FAILED. (*Note: Devine passed on original roll call.)

Mayor Powell asked for a motion to recess this meeting and to reconvene on Monday morning at 8 a.m. and said Baker can find the \$165,000. Baker said that is where we will be if Council votes for the \$1 and twice a week service, and not buy the packer truck. Baxter said he would not be able to attend Monday.

Baker asked if Council had any further guidance to provide before recessing. Shanklin said he did not think the figures were right all the way down. Moeller asked that Baker look at what kind of adjustment can be made on the vacancies to help come up with the \$165,000.

4. Pursuant to Section 307B.2, Title 25, Oklahoma Statutes, consider convening in executive session to discuss future negotiations concerning the Employment Agreement for FY 2000-2003 between IAFF, Local 1882, and the City of Lawton, and take appropriate action in open session if necessary. Exhibits: None. (Note: This item was not considered.)

ADDENDUM ITEMS:

3. Consider a resolution approving the fiscal year 2002-2003 Budget. Exhibits: Resolution No. 02-____. (Note: This item will be considered on Monday morning when this meeting will continue.)

MOVED by Moeller, SECOND by Ewing-Holmstrom, to recess this meeting until Monday morning a 8 a.m. AYE: Bass, Devine, Shanklin, Moeller, Haywood. NAY: Baxter, Ewing-Holmstrom. MOTION CARRIED.